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Request for Qualification (RFQ)
For a Turnkey Development Partner by
The Scituate Housing Authority (SHA)
Scituate, Massachusetts

Issuance Date: January 4, 2016

Development Team Responses Due by: January 29, 2016

Scituate Housing Authority Request for Qualifications(RFQ)

The Scituate Housing Authority (SHA) of Scituate, Massachusetts, hereby announces its public search for a qualified Turnkey Development Partner to plan, orchestrate and implement the SHA Plan to develop 22 units of new construction, senior (55+), affordability-restricted rental housing on a site owned by the Authority.

Experienced affordable housing developers responding to this Request for Qualifications (RFQ) shall respond by forwarding evidence of past and recent success in serving as lead developer for the planning and construction of Chapter 40B affordability-restricted rental housing. RFQ respondents shall also demonstrate program knowledge and experience with the likely potential equity and financing sources to be considered by any such RFQ respondent. These programs include the Federal 9% Low Income Housing Tax Credits (LIHTCs), State of Massachusetts Tax Credits, mortgage financing from MassHousing as well as the use of local Affordable Housing Trust grants or other public sources that may be identified by RFQ respondent selected to fulfill the Housing Authority's development goals for this parcel.

Development Goals of the Scituate Housing Authority-Overview

The Housing Authority has identified the potential site as ideal for potential development as senior, affordability-restricted, rental housing. Though the Authority operates three

senior affordable rental properties now, these existing properties are restricted to Very Low Income residents earning under 50% of median income and receive direct rental assistance. It is the goal of the authority in pursuing this project to create additional senior restricted rental stock designed to be affordable to those earning a higher ratio of 80% of median income limit to meet anticipated demographic demand as working local adults of moderate income adults seek to retire in Scituate. The proposed units will be rent-restricted, but not rent-assisted. If successful this project will meet a portion of current and projected unmet demand for quality affordable senior rental apartments.

In seeking a turnkey experienced Massachusetts-based affordable housing developer to implement their affordable housing vision for this site, the SHA Board acknowledges that the RFQ Developer/Selectee shall serve as independent developer, without undue interference from, and with the support of The Authority. Rather than developing the parcel independently, the SHA seeks to turn over the property to a qualified developer who will agree to improve the site in accordance with SHA affordability goals and meet local affordability goals. In essence, the RFQ Selectee will “purchase” the proposed site per purchase option agreement for the price of one dollar. The terms of such option agreement will fully acknowledge the developer’s acceptance of the SHA’s requirements and development restrictions established for the site.

It is also important to stress that the chosen developer/selectee will, upon execution of the site control agreement, assume all developer responsibilities for bonding, insurance, and for meeting required state and local building and health codes. It will be the SHA’s role to support the chosen developer in achieving project success so that the community may benefit from an additional affordable housing resource, but in this instance, one that will be developed, constructed, owned, and managed by a private owner; whether profit motivated, or nonprofit.

Proposed Project In-Perpetuity Affordability Use Restrictions

The proposed project site is currently part of the Central Park Apartments senior housing site operated by the Scituate Housing Authority. SHA plans call for the proposed new site to be legally separated from the current property, with fee simple ownership to be offered to the RFQ Selectee. By using this “excess” land from an existing SHA property to develop new affordable units, the Board hopes to make maximum use of available, limited, land in Scituate to create new affordable housing opportunities.

It is the goal of the SHA that all proposed 22 units be developed as Chapter 40B restricted rental units. The SHA is also fully aware it is only necessary for the proposed development to have 25% of the proposed 22 units of new senior rental housing restricted as to affordability in order for all physical units to be included in the Community 40B Unit Count. Though 100% affordability is desired, if the eventual selectee makes the case to the SHA Board that project financial feasibility requires a portion of units to be rented at market levels, and State funding officials confirm via meeting that this is the case, the ratio of units to be affordability restricted will be reconsidered. In no case, however, will less than 50% of units be Chapter 40B rent-restricted. All such 40B-

restricted rental units would therefore have rents set by the Massachusetts Department of Housing and Community Development as affordable to those earning below 80% of median income (the 40B Rents).

Regardless of the Affordability mix finally approved as necessary to achieve overall project feasibility the executed Chapter 40-B restrictions shall bind the project's operations "in perpetuity", as defined by Massachusetts state law. Such restrictions will be evidenced by an appropriate, state-approved Chapter 40B Regulatory Agreement to be executed at final closing.

Local Public Support for Project to be Provided by the SHA

The Housing Authority will provide a written letter to the Scituate Selectmen confirming SHA support for their firm as development partner and requesting their vote to allow the chosen development partner to submit their “One-Stop” funding application to the state of Massachusetts under the “friendly 40-B” protocols and regulations.

The terms of the proposed land transfer will require that ownership of the proposed site will be transferred to the successful developer/Selectee for the amount of one dollar. The SHA shall also extend all existing utility, road access, and other public easements that exist now within the property description of the combined Central Park Site for water, sewer, road access and utilities, that are required for the successful development of the site as quality affordable rental housing for seniors. Initial exclusive site control shall be granted to the Selectee at the execution of a development agreement via option contract. Fee simple ownership, however, shall only be conveyed upon the successful close of construction financing.

As further support for the transaction, the SHA Board will provide a letter to the successful developer/RFQ Selectee (the Selectee) to the Scituate Affordable Housing Trust in support of the selectees’ request for a grant to the project in the amount of \$770,000 or \$35,000 per unit. If the Selectee can make the case, however, after presenting an early underwriting projection of Sources and Uses for the project, that a higher per unit grant from the Scituate Affordable Housing Trust is required to reach project feasibility and meet project needs (including a traditional MassHousing approved developer fee), or that it is possible to achieve 100% affordability for all units with higher grant funding, the SHA will consider a written letter of support to the developer/selectee to the Trust a higher funding cap up to a maximum of \$50,000 per unit (total of \$1,100,000). Furthermore, The SHA Board will additionally support the selectee through attendance of representatives from the SHA Board at scheduled local Planning, Zoning, Selectmen, CPC, or other local meetings or at government offices. The SHA also stands prepared to provide any other state or federal funding letters of support requested by the selectee in support of their overall development plan.

Qualified Applicants to be Considered

Applicants may be profit motivated or nonprofit developers with affordable housing experience working in the State of Massachusetts on successful Chapter 40B projects from inception to construction completion. Developers without an in-house property management team must identify their intended fee management agent. Any management firm proposed must be approved by the Massachusetts Department of Housing and Community Development (DHCD) and/or MassHousing for the management of projects with Chapter 40B Use Restrictions.

Developer duties shall include but are not limited to:

1. The Preparation of all development financing and funding application to state or other sources.
2. The Management of the project and project budgets, tracking and reporting of quarterly development goals from inception through to project completion.
3. Tracking, management, and reporting of all development costs, liabilities, insurance and bonding related to the development of the site under the proposed exclusive option agreement in compliance with Chapter 40B requirements.

RFQ Response: Content and Due Date

All responses to the RFQ must be received by the SHA by 5 P.M. on Friday, January 29, 2016 in order to be considered by the Board of Directors. All responses should be sent as a pdf scan file to the Housing Authority Executive Director at: kdemarsh@scituateha.org. The Housing Authority will send replies to each submission as a record of timely RFQ response. If no such confirmation email is received by the respondent, they should contact the SHA by telephone at 781-545-3375.

Though the Authority does not anticipate mailed applications, the physical address of SHA office is: Kathy DeMarsh, Executive Director, Scituate Housing Authority, 791 Country Way, Scituate, MA 02066.

Responses must address the following information:

1. Company and Proposed Development Team-

Describe the lead consultant as well as proposed in-house, or cooperating specialty development team members. Enclosed brief resumes. For applicants proposed using of outside MassHousing or DHCD-approved management fee agents to operate the property upon completion, please include a description of such firm and their experience managing Chapter 40B restricted rental properties in Massachusetts.

2. Experience and Ability-

Provide examples of successful Chapter 40B rental developments closed in Massachusetts for which the applicant team leader was lead consultant or actual developer/owner responsible for project completion.

Due Diligence Available to RFQ Respondents

The SHA has enclosed a recent concept site plan for where the proposed building and supplemental parking shall be constructed, with reference to neighboring parcels. This plan is preliminary in nature and designed to demonstrate the site may be successfully developed for the 22 units planned. The SHA stands ready, however, to accept proposed modifications to the proposed preliminary site plan in response to requests from the developer/selectee if supported by proper engineering or design commentary as to the need.

We have also enclosed a preliminary legal opinion confirming the proposed site, to be separated off the existing Central Park Apartments Site, can be utilized to build senior affordability-restricted rental housing using a friendly Chapter 40B application approach.

Site Tour-

A tour of the proposed site shall be offered to any interested respondents. Please meet representatives of the Scituate Housing Authority who will provide the site walk on January 13, 2016 at 3:30 P.M. We will meet in the rear parking lot area of the existing Central Park Apartments located at Central Park Drive, Scituate, MA (off Branch Street). Our local Development Consultant, Joe Armstrong, of Multifamily Capital Resources, Inc. (MCR) will also be present to answer questions from proposed RFQ respondents.

Selection Process-

All respondents submitting a complete RFQ response shall receive an email acknowledged of the SHA's receipt of their submission, indicating if they have been determined based upon their package to meet the minimum qualifications for further consideration as Selectee/Developer. If such confirmation is received, the SHA shall invite the developer to meet the Board of Directors for an initial interview to be scheduled at the SHA Offices in Scituate. Based upon such initial interviews and follow-up reading of RFQ responses, the SHA Board of Directors shall vote on a final three applicants for second round, follow-up interviews. After holding such second round interviews, the SHA Board shall vote on a selectee developer to implement their vision for long term affordable senior rental housing to be developed at the site.

We look forward to reviewing responses to this RFQ from potential Massachusetts affordable housing developers. I can be reached at 781-545-3375, ext. 12 for any further questions.

Sincerely,

Kathy DeMarsh

Kathy DeMarsh
Executive Director
Scituate Housing Authority
791 Country Way
Scituate, MA 02066-1729

Enclosures